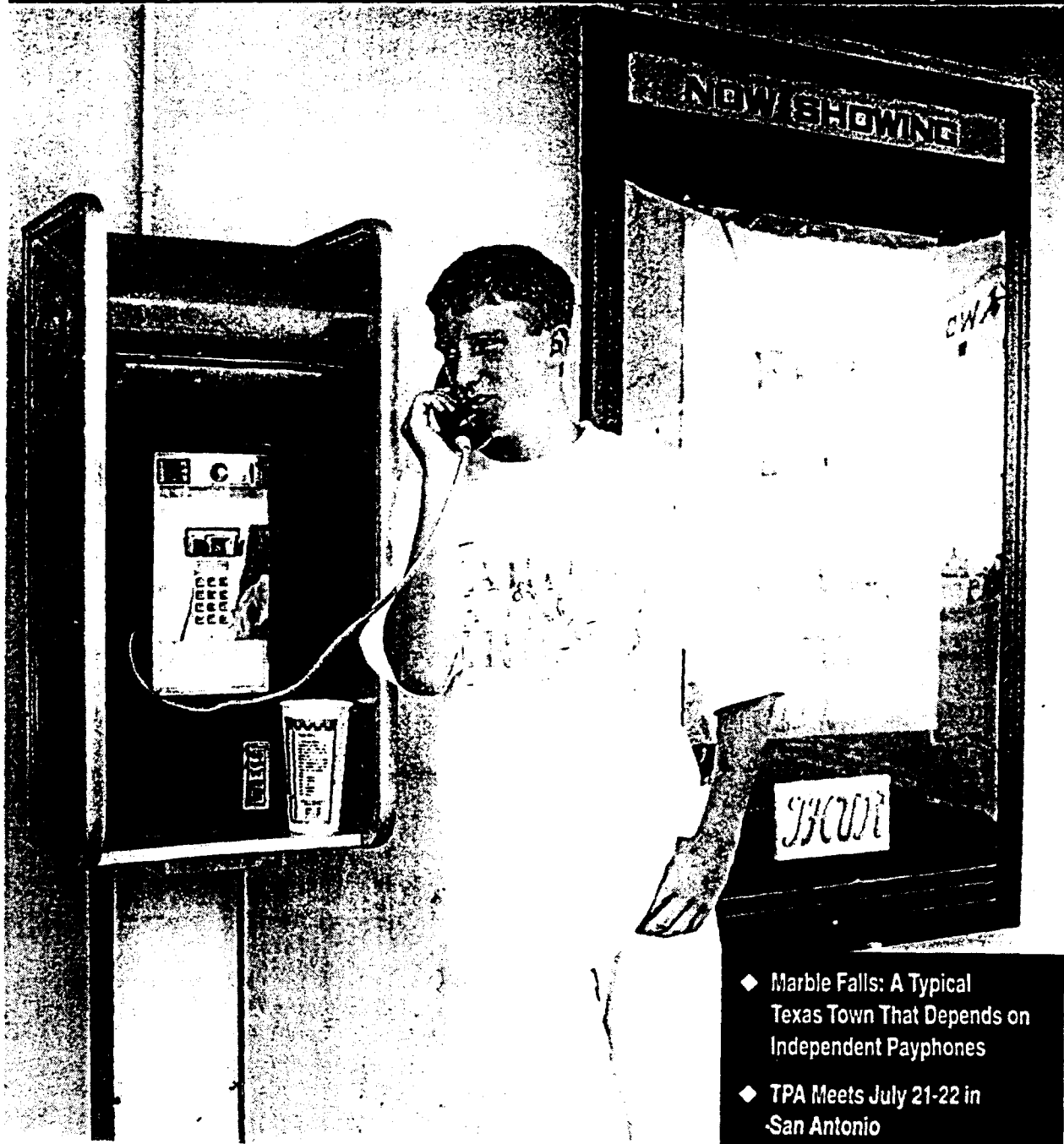


TEXAS CALLING

Texas Payphone Association

July 1994



- ◆ Marble Falls: A Typical Texas Town That Depends on Independent Payphones
- ◆ TPA Meets July 21-22 in San Antonio

MARBLE FALLS

CITY LIMIT

POP 4007

A Typical Texas Town Served by the Independent **Payphone** Industry

Every year approximately 300,000 people visit the Bluebonnet Cafe in Marble Falls, Texas to enjoy their home-style cooking: chicken fried steak, fried catfish, fried okra, homemade rolls and pies, and more. While the Bluebonnet is the most popular place to eat in the small town, GTE said it **had** to remove the cafe's **payphone** because it wasn't generating enough revenue for the telephone company.

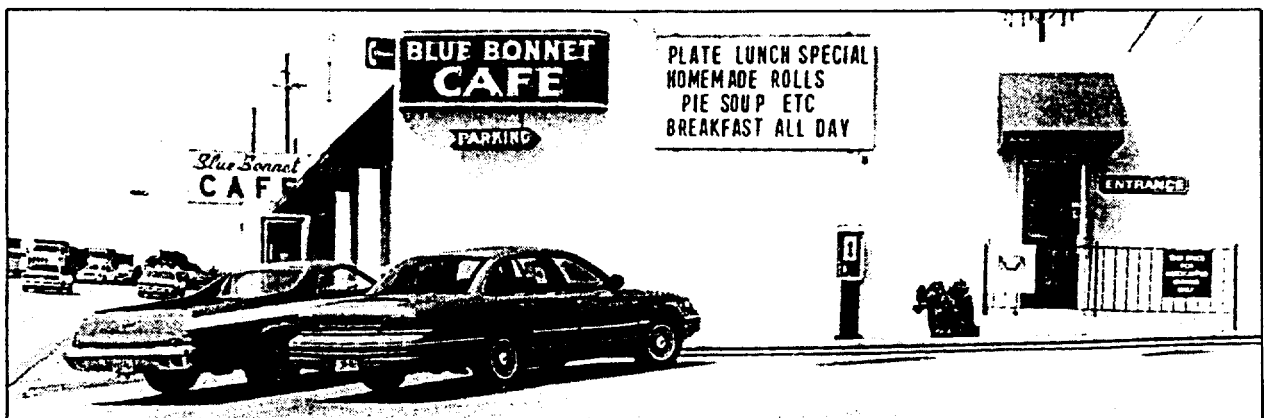
That's when Bluebonnet owner John Kemper turned to an independent **payphone** company to install a **payphone** outside the front door of the 65-year-old cafe. "I felt like my customers needed the service, and I didn't want to have to pay for a **payphone**. This was a good alternative," he said.

Kemper is President of the Marble Falls/Lake LBJ Chamber of Commerce, and he supports entrepreneurship and business development. He said having an independent **payphone** "is a better deal for me—they pay for the phone and pay me a commission" for having the phone on the premises.

Marble Falls is a typical Texas town where the local telephone company is removing its payphones and refusing to install pay telephones at no charge in new locations. About 75 percent of the payphones in Marble Falls are owned by independent **payphone**

companies. TPA conducted a general survey along the city's main streets to count payphones and determine ownership, and then reported the results to the local chamber of commerce. "I'm surprised that the majority of the payphones are independently owned. I would have guessed that GTE had them all or the highest percentage," said Donna **Klaeger**, Executive Director of the Chamber of Commerce. "I do appreciate the contribution that these independent **payphone** companies are making to the local economy and providing this service to the community." She hopes independent companies will install even more payphones in the area—and especially in the popular park areas along Lake Marble Falls where GTE would not install pay telephones.

Payphone Sales and Service owns the only **payphone** on Main Street in Marble Falls, which is outside the Marble Theatre. Owner Harry Crawford said there never had been a **payphone** at the community's only local theatre until he installed one. "The closest **payphone** used to be two or three blocks away, and it was a real safety hazard for kids to cross several streets to use a phone," Crawford said. GTE had refused to install a **payphone** at the Marble Theatre, and the owner did not like to let children



use her business phone. Now the owner and the movie-goers appreciate having a **payphone** available. "That phone handles a lot of local collect calls, because the kids spend all their money on popcorn and candy and they don't have any money left to call home," Crawford said.

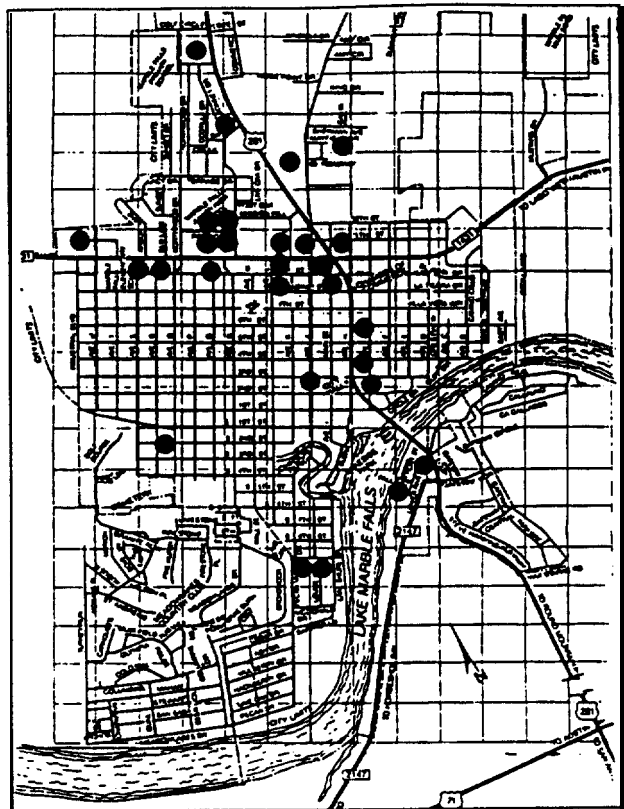
Crawford said he and his wife Lola travel to Austin regularly, where Lola's mom and their son live. That's how they happened to drive through Marble Falls, where they took the time to talk to people to see if they might need payphones. "We develop a lot of new markets, and a majority of our phones are placed in locations where there was not a **payphone** before," he said.

The Crawfords discovered that one unmet need in Marble Falls was for payphones at apartment complexes-and especially those where many people have limited incomes. **Payphone** Sales and Service owns payphones at five apartment complexes in Marble Falls, and most of the phones are in the laundry rooms at the complexes. They are proud to be providing phones so people can stay in touch with their family, friends, and workplaces. "We have to make money on what we are doing, but we also have to look at the community we are serving and what they need."

Crawford can describe off the top of his head the location of each of his 13 payphones in the Marble Falls city limits. "Payphones are kind of like your kids-you keep track of them," he said with a laugh.

The largest bank of payphones in Marble Falls is at the HEB food store, where three payphones owned by North American **InTeleCom** are located in the entry foyer. "The **usage** of those three phones is almost continual, and 75 percent of the calls made are local calls," said Carol Vance, **NAI's** Director of Operations. She said NAI also provides a **payphone** at HEB in the employees' break room. "HEB wants to have a **payphone** just for employees in every store as a special courtesy so their staff doesn't have to stand in line with the **public** to make calls," she added. Employees use the **payphone** before and after their shifts and on breaks.

Vance said NAI has been associated with HEB since 1985, "so everywhere they go we go." That association allows NAI to provide an important ser-



The dots indicate locations of all the independent payphones within the city limits Of Marble Falls.

vice to grocery shoppers and HEB employees throughout Central and South Texas.

Harold Taylor of T&T Communications was the first independent **payphone** owner to introduce 25 cent per minute coin long distance calling in Marble Falls. Taylor started offering it three months ago, and he said many people are finding it's convenient to pay with quarters and is the cheapest way to call long distance.

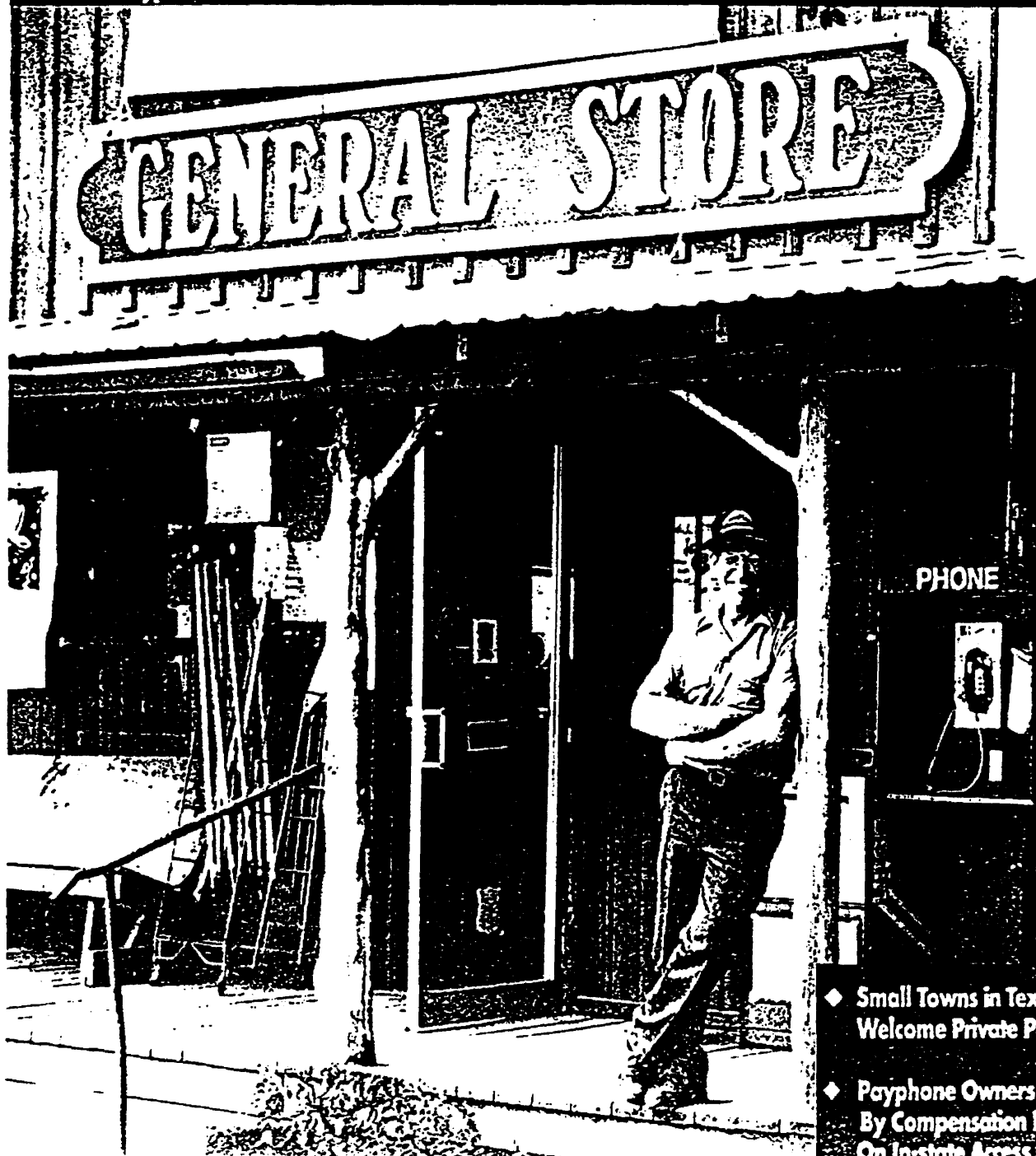
T&T has payphones in Marble Falls at several locations where GTE pulled their payphones, as well as at convenience stores and gasoline stations whose owners asked GTE to remove their pay telephones because they preferred to have T&T phones.

Marble Falls attracts people from throughout the U.S. who enjoy the Highland Lakes and recreational activities. At the River View RV Park on the banks of Lake Marble Falls, there are typically 30 vehicle spaces filled every day. The only phone the visitors have to use is an independent payphone located in the laundry room at the RV park. "About 80 percent of them are retired couples, and they **depend** on the **payphone** to call their kids and grandkids," said Manager John Wefler. The RV travelers regularly stand in line at the park's payphone which is both a lifeline and a "loveline" for them.

TEXAS CALLING

Texas Payphone Association

October 1992



- ◆ Small Towns in Texas Welcome Private Payphones
- ◆ Payphone Owners Are Hurt By Compensation Inequities On In-state Access Code Calls

Private Payphoner Benefit Callers In Small Towns Throughout Texas

Residents of Lytton Springs regularly drop by **Spradling's Store** to pick up a Big Red or some tortillas or just to talk. The 50-year-old general store is the central gathering place for the small town and the site of the only **payphone** in the community.

Owner **Les Spradling** said most of the people who use his **payphone** are local residents who don't have a phone in their homes. "We're not real affluent out here, and a lot of people are living on the edge," he said. Many people live in mobile homes throughout the grassy ranchland in Central Texas. The population of Lytton Springs is 150, but many



Les Spradling more people live in the outlying countryside. TPA-member company **T&T Communications** installed the payphone at **Spradling's Store** two-and-a-half years ago, and today their red payphone provides the town's communication lifeline. Residents without phones in their homes use the payphone for calling needs, whether to call doctors or their offices in Austin or San Marcos or to keep in touch with relatives.

"In the evenings after **Spradling's Store** closes, there are always people talking on the payphone. Sometimes they sit in their cars waiting in line to make a call," said **Jerry Cardwell**, herdsman for the **U-Bar Hereford Ranch**. **Cardwell** sometimes drives up on his tractor to use the phone. "The payphone is right next to the diesel fuel tank I use for my tractor, so it's convenient to fill up and make a call," he said.

This spring when area creeks rose over their banks, many residents used the **Spradling's payphone** to call their families and say they couldn't make it home. During floods, stranded motorists sleep with friends in Lytton Springs or at **Spradling's Store**.

Spradling's has the ambiance of an old-time country store: it has the original wooden floors, a wood stove, jars of pickles by the cash register, and

all the basic food staples. A quilt hangs from the ceiling to be raffled to benefit the local fire department. To keep up with modern times, the general store also sells lottery tickets and rents videotapes.

Harold Taylor, president of **T&T Communications**, said he feels good about meeting the needs of callers in small Texas towns. "Almost all of our payphones are in small towns because I am a country boy myself and I just like travelling through the country," he said. **Taylor** travels to **Spradling's Store** twice a month to visit with **Les** and to check on the payphone and perform routine maintenance.

Taylor started his payphone business three years ago when he retired from the Army and from real estate and was looking for a hobby. "I bought four phones to start with, and they were so much fun I just kept growing," he added. **Harold's** wife, **Kathleen**, is the comptroller and secretary. Their son, **Gregory**, is vice president and operations manager, and granddaughter **Amy** is the treasurer. **Harold** and **Kathleen** have an office in their home, which is on top of a hill near **Center Point**. All of their payphones are in the Central and South Texas area.

While **Harold Taylor** is 71 years old now, he doesn't think he'll ever retire from the payphone business. "It keeps your mind and your body active all the time," he said, pointing out that they travel 100,000 miles per year visiting clients, checking on payphones, and always looking for new locations. He said he enjoys having his wife as a business partner. "For years and years my wife worked one place and I worked somewhere else, but now we are together all the time."

"We love this business," **Kathleen** added. When she retired as front desk manager at **Inn Of the Hills** in **Kerrville**, she was eager to learn all about payphones. "I have always liked the telephone business," she said. "For the first 15 years we were married, I worked as an operator for several telephone companies."

While travelling around Central Texas, the **Taylor**s ventured down **FM 1854** and ran across **Spradling's Store**. "I talked to **Les** about installing one of our payphones, and he was glad I did. Everyone seems to appreciate the fact that we are putting a payphone in their small town," **Harold Taylor** said.

TEXAS CALLING

Texas Payphone Association

October 1991



- ◆ TPA Wins DA Fight With Southwestern Bell
- ◆ October 24 Meeting In Irving Features Continuing Education
- ◆ Program Helps Members With Payphone Fraud

Southwest Texas Town Welcomes Its First **Payphone** in Recent Years

Reprinted from The Uvalde-Leader-News

A pay telephone is sparking a lot of conversation in Knippa, where most residents remain on the party line.

The touch-tone model, which was installed last week at the K&W Country Store, is the first payphone that residents can remember in recent years.

"It has certainly stimulated a lot of conversation. Everyone who comes into the store comments on it," according to store co-owner Kay Hein.

Residents and passers-by could begin making local calls last Friday and long-distance services were implemented Tuesday afternoon, she said.

"A lot of times people come in with a broken down car or something and want to make a call. There hasn't been a **payphone** here in years," she said.

The phone was installed by TeleCoin Communications, a Richardson-based company. Local telephone service is provided by Alenco Communications Inc.

Mrs. Hein and her husband, Walter, moved to Knippa three years ago to assume ownership of the convenience store. "We were living in Carrizo Springs, but this looked like a good place to settle down. We've got kinfolk here,* she said.

Although a **payphone** was operating in the community 15 years ago, this is the first touch-tone model in the area.

Woodrow Ede, whose Ede and Co. accounting firm is located next door to the store, well remembers the **payphone** in the Ede's Cafe that was operated by his family.

"Back then, we had the only **payphone** in town. It was taken out a good many years ago and we'd been without one since," he said.

The cafe, which is now closed, was operated by Ede's parents and later by his sister.

"It was a gathering place for local folks as well as people from Sabinal and Uvalde," he said.

"People would line up at the door to get in on Friday and Saturday nights. Times have changed, but I am glad to see a **payphone** back in town. We're in the big time," Ede said.



Store co-owner Kay Hein (left) and her sister, employee Patsy Pitts, display the new pay telephone.

Most businesses, including Ede and Co., have private lines in the small farming community, he said, but "most people in town are on a three or four-party line. Once you get out into the country, there are seven or eight on a line."

A **payphone** is needed in Knippa, said Ede, noting he has provided a telephone at his business for stranded motorists.

Mrs. Hein said they expect to serve passing motorists as well as local residents who need to telephone while running errands.

"We've already had several folks make calls on it. If nothing else, people are getting a kick out of seeing a **payphone** in town again," she said.

Britons Complain About DA Charges

Parade magazine reported on a survey of the top 10 gripes of 500 Britons in its September 1, 1991 issue. The #6 ranked source of everyday irritation was "Paying to phone Information for a number you need to make a call."

Other complaints that made the top 10 of complaints included:

- Bosses who get big pay raises while telling their workers to ask for less
- Judges who give soft sentences for serious crimes
- People who ignore "No Smoking" signs.
- Dog-owners who let their pets foul the streets
- Jehovah's Witnesses and other religious salesmen who won't leave your doorstep
- Sex magazines on display in shops where kids can see them.



REMOVING PAYPHONES IS NOT THE ANSWER

The *war* on crime should not deny or reduce services to those less *fortunate*

BY COMMISSIONER JOE GARCIA, FLORIDA PSC

The "War on Crime" has been raging in earnest for over 15 years now, with varied success. And the sad truth is that every success this campaign has had against the criminal element in our cities is somehow tempered by the costs in innocent victims. This war has touched all of us in one way or another, and given the look of things to come in the regulatory arena, the war is dangerously close to claiming another innocent victim.

The latest target of local law enforcement agencies and politicians is the pay-phone providers, and these are unarmed

and unprotected. Public payphones have come under attack across the nation for their use as crime tools by itinerant drug dealers. Opponents have offered criticism of the "for profit" motive that may appear to drive the number and placement of phones in communities, rather than their original purpose of public service and convenience.

Criminal activities near payphones are causing more and more cities to become interested in the regulation of payphones. In the January 1995 issue of *Perspectives*, Publisher Tracey Guhl pointed out the drastic measures some

cities are taking. She said that policemen are reported to be cutting off hand sets at payphones that are near criminal activity, and independent public pay-phone (IPP) providers are having phones removed by their cities because of criminal activity near the phones. Some local politicians are even getting into the act, capitalizing on the "tough on crime" theme for re-election campaigns and using the removal of pay-phones as photo opps — some even posing for newspaper photos with bolt cutters in hand. Unfortunately, these incidents are not isolated and are very real

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THE LAST WORD continued

today in our cities. Yet in the rush to eliminate one more channel for criminals to ply their trade, I fear we overlook broader social interests which demand the same attention.

PEOPLE RELY ON PAYPHONES

If **payphone** providers are forced to remove their telephones, a whole segment of our society becomes disenfranchised. Unfortunately, criminal activity tends to occur in the most economically depressed areas, where people must often rely on payphones for the basic communication that most of us take for granted. If **payphone** providers follow the way of newspaper vendors, there will be absolutely no payphones located in communities designated as "high crime" areas. How many newspaper vending machines do you know of that are located in such areas? About zero to none. So, people already are being deprived of one direct outside communication link. If too many payphones are removed, drug dealers will simply migrate to other means of communication, such as cellular phones. The crime problem may become less viable, but the element, though masked, remains. The practical effect of the situation is that we are beginning to have de facto "redlined" areas for limited telephone service, and I don't think we should lose sight of the public safety and public interests that payphones promote.

Some **IPP** providers are becoming proactive with their local and state governments. By most accounts, however, this cooperation has taken the form of quelling the fears of municipal and county governments by compromising the extent, if not the quality, of services available through public payphones. For example, many are asking their public utility commissions to approve "incoming call blocking." While incoming call blocking appears to be a probable solution to criminal activity, it may also be denying communications to a law-abiding segment of the general public.

As a public service commissioner, I accept the assumption that the telephone represents functional mem-

bership in the information society. Approximately 6 percent of all households in America, however, do not have a telephone [**Benton Foundation's Beyond Universal Service**]. For these citizens, the only practical way to receive telephone calls is through **payphones**. Allowing the blocking of incoming calls at payphones directly prevents this sector of the community, those who cannot afford a home telephone, from receiving calls. I am concerned that actions to block incoming calls unfairly affect the less fortunate, and thus impugn our responsibility to ensure the availability of basic telecommunications services to all residents of our states.

"... in the rush to eliminate one more **channel** for criminals to ply their trade, I fear we overlook broader social interests which demand the same attention."

Access by the less fortunate to this most basic on-ramp to the information highway should not be limited simply because criminals also use payphones. While I agree with the industry's desire to do its part to deter crime, less drastic steps can be taken to achieve this goal.

SOME SUGGESTIONS

A better approach to the problem of criminal activity near the payphones would be for city **officials**, the regulators and **payphone** industry representatives to work together toward more viable solutions, rather than blasting **payphones** off their walls. One such **alternative** might be for city officials to place warnings on certain payphones stating the numbers called may be recorded and forwarded to law enforcement agencies. Such a policy could be effective in deterring the misuse of payphones without limiting the **ability** of the less fortunate to communicate.

Another idea might be for **local** law enforcement officials to work with **IPP** providers on the **placement** of their phones. There is strong support for such

a placement strategy, including **Crime Prevention Through Environmental Design (CPTED)** concepts of natural surveillance and territoriality. The closer a **payphone** provider can locate a **payphone** to an occupied structure, the more scrutiny it will undergo by those working or living there. Similarly, the less inviting it becomes to those engaged in criminal activity, as they now come under direct surveillance and must move further from the safety of public streets.

IPP providers need to let the appropriate officials know they are willing to cooperate. They should also spend some time educating the public, particularly community groups that can serve as valuable allies in times of need.

While it is true that payphones do facilitate and generate criminal activity in some locations, overall they provide a valuable public service to the community. Whether it is to report a serious **traffic** accident to 911 or for use by those too poor to have their own phones, every community benefits from the existence of payphones. Our overall efforts should support the **legitimate** use of payphones and help illegal uses meet with the greatest amount of resistance and deterrence. In our fight against crime, we must also remember the words of Benjamin Franklin, who said, "Those who would give up essential liberty to purchase a little temporary **safety**, deserve neither liberty nor safety." ■



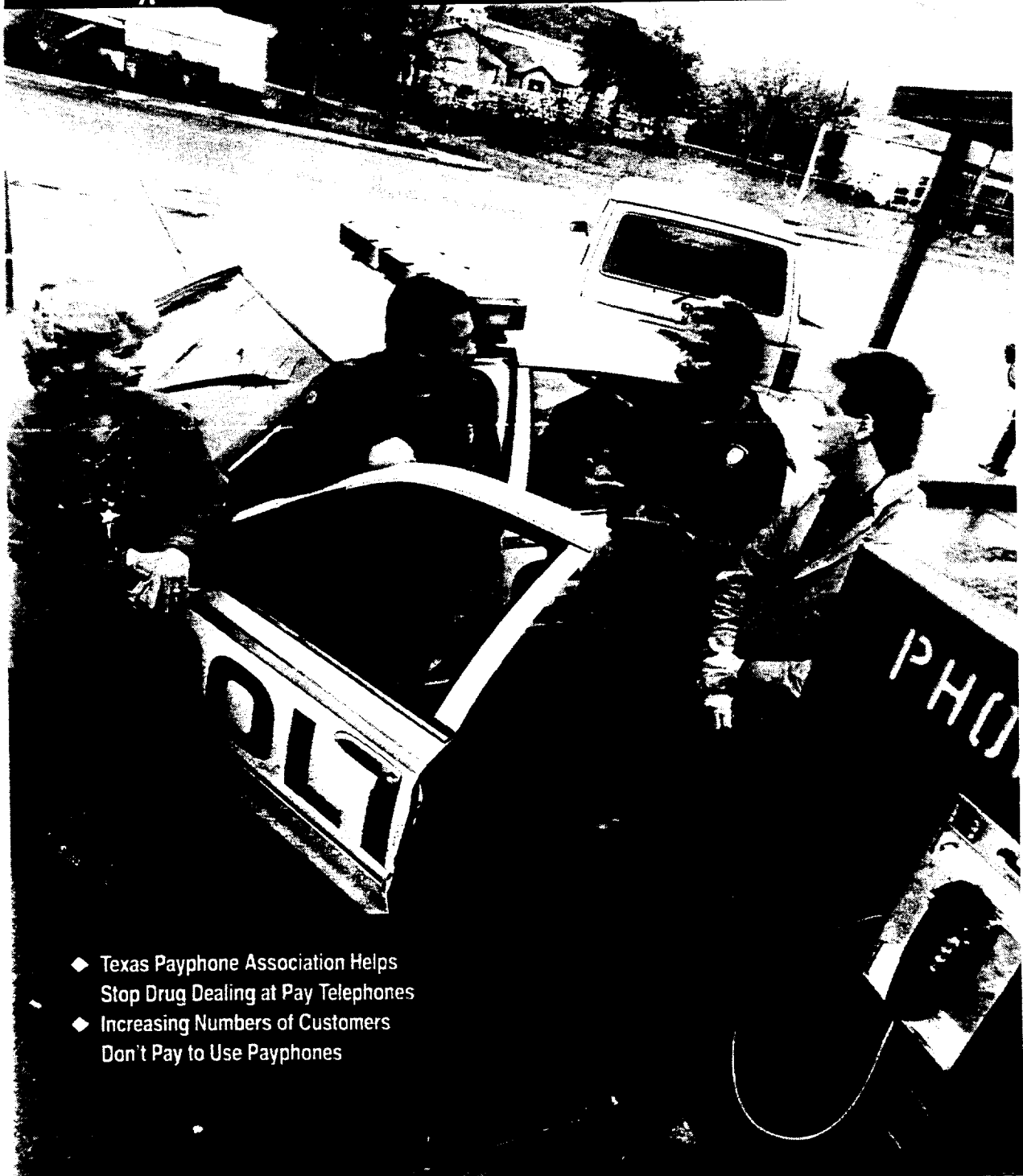
Commissioner Garcia was appointed by Gov. Lawton Chiles to complete a term ending in January 1998. Prior to his appointment, Garcia served

as director of various private-sector resettlement and humanitarian relief programs. He received a bachelor of arts degree in politics and public affairs as well as a law degree from the University of Miami.

TEXAS CALLING

Texas Payphone Association

January 1995



- ◆ Texas Payphone Association Helps Stop Drug Dealing at Pay Telephones
- ◆ Increasing Numbers of Customers Don't Pay to Use Payphones

TPA Initiates Program To Reduce Drug Dealing at Payphones

In every urban area of Texas you can hear stories about street corners that are open drug markets. When citizens and police describe these areas, it's not a pretty picture:

- Small crowds of drug users standing around boldly smoking crack cocaine and selling it to others.
- Entrepreneurs providing curb service to their customers who want just to drive up and buy drugs.
- Dealers standing by payphones waiting for incoming calls from customers wanting to place drug orders. Sometimes these dealers guard their payphones and keep everyone else away.

Unfortunately, payphones are a part of many of these highly profitable outdoor drug businesses. But the Texas Payphone Association believes if payphones are part of the problem, they also can be part of the solution. In a model pilot project under way in East Austin, independent payphone company owners are working hand-in-hand with the Austin Police Department to stop drug dealing at payphones.

Senior Patrolman Rickey E. Davis got interested in payphone drug dealing last year when the East Manor Road Neighborhood Association called to say they wanted some payphones removed where drug dealing was taking place. One neighborhood

resident was so angry he took a crowbar and popped a payphone off its pedestal. "I asked them to give me some time to check into other options, because there are people who cannot afford phones in their homes and they depend on those payphones," Davis said.

He contacted Wendy Sommer with Southwestern Bell, Tom Irby with Austin PayFones, and Jack Janszen with International Pay Telephone Inc. in Austin to learn more about payphones and how they work. They agreed to a small pilot test involving the three companies in which they experimented with a number of approaches to see what worked best, including:

- Blocking all incoming calls at payphones.
- Changing the signal from tone to pulse to thwart beeper users.
- Limiting the number of digits that can be punched in to 7 or 10 instead of allowing 14 digits.
- Turning off some payphones at midnight for outgoing calls to all numbers except 911 or the operator.
- Changing from Touch-Tone keys to rotary dial phones. (While this does stop people from pushing in numbers to be called at a beeper, the federal Americans With Disabilities Act requires pay telephones to have Touch-Tone keys.)

In the pilot effort they wanted to see if the above actions reduced drug dealing and what impact these steps had on revenue and vandalism. After a year Officer Davis was pleased with the results—he received no subsequent complaints about those payphones where one or more of the alterations were made. Based on the successful one-year pilot test, TPA was ready to expand to a program that would involve every TPA member company with payphones in targeted areas of Austin.

On November 15 representatives of seven TPA member com-



TPA Chairman David W. Madden talks with Officer Rickey E. Davis from the Navasota Neighborhood Center and Officer Fredrick Simpson from the Loyola Neighborhood Center about problems in East Austin.



Participating in the November meeting in Austin about drug dealing at payphones were: (shown around the table from the left) APD Officer Fredrick Simpson; Mickey Bentley, Fox Fone Company; John Oliver, Oliver Communications Co.; Jack Kendrick, J-Comm, Inc.; Chas Sumner, TeleNational, Inc.; APD

Officer Rickey E. Davis; Joe Herlocher, SmartCoin, Inc.; and David Madden, T.A.M.C.O. Not shown in the photograph: Wayne Brunet, TeleNational, Inc. Other TPA member companies with payphones in Austin that have committed to joining the effort are North American InTeleCom and Telestar Payphones.

panies met with Austin Police Department Officers Davis and Fredrick Simpson to plan how to implement the program in a wider target area east of IH 35 in Austin where there were neighborhood problems.

At the meeting Irby reported on Austin PayFones' positive experience during a year of participating in the pilot test. Their company detected no drop in revenue at the payphones where incoming calls were blocked, and in fact many new customers were able to use the telephones because the drug dealers stopped monopolizing them. Vandalism and graffiti were reduced at their payphones after the drug dealing crowd went away.

The pilot effort determined the best action to take was blocking incoming phone calls at payphones, and that's what every participating TPA member company agreed to do. "And we have no problem taking a loss of revenue at these phones if we can reduce drug trafficking," said David W. Madden, president of T.X.M.C.O. and TPA Chairman. He owns 59 payphones in the program.

By the end of December, nine TPA companies had blocked incoming calls at approximately 200 payphones in the targeted area. They all got permission from the location owners and then posted on the phones required signage which states, "This

Telephone Cannot Receive Telephone Calls."

Madden also put stickers on the handsets that say "Outgoing Calls Only."

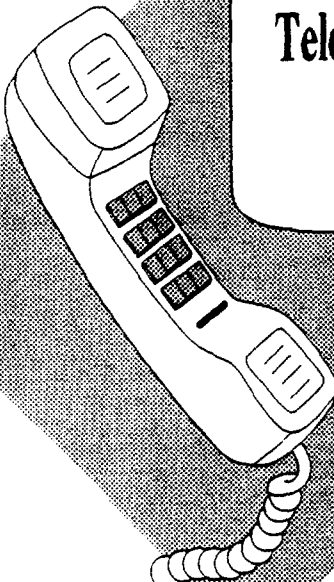
Officer Davis emphasized that just blocking incoming calls at payphones is not going to halt drug trafficking altogether; however, it can improve neighborhood environments when drug dealers stop congregating around payphones. Police also are proactively working with communities to close down known drug houses, clean up graffiti, and provide activities for youth.

Also, blocking incoming calls at the targeted payphones is not seen as a permanent action. As neighborhood environments improve and corner drug dealing goes away, the payphones will be reprogrammed to allow incoming calls again. But for now, the word is getting out on the street: you can't deal drugs at payphones in Austin!

The Next Step-A Statewide Focus

Reducing drug dealing at payphones statewide will be an important topic for discussion at TPA's quarterly meeting January 19 in Austin. Austin Police Officer Rickey E. Davis and TPA Chairman David W. Madden will discuss the Austin effort and how to replicate it elsewhere.

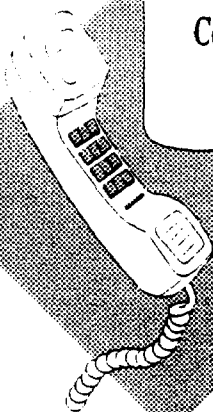
CAPA Newsletter



**Telecommunications
Act of 1996**



Lower Phone Bills



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April
1996

5.3 Use of Mechanized Cost Models. The Company may use all mechanized cost models currently in use, including computer spreadsheets, programs, and other models, to conduct incremental cost studies in compliance with these guidelines, provided that all cost principles and requirements are complied with in full. If the Company plans to discontinue the use of a spreadsheet, program, or model currently in use, it shall notify the Commission and Staff and provide a detailed explanation of how the incremental cost for services or basic network function currently being calculated using the model in question will be determined. If the Company plans to begin use of a spreadsheet, program, or model not currently in use, it shall notify the Commission and Staff and provide a detailed description of how the proposed spreadsheet, program, or model will operate, including a list of required inputs, a description of processing algorithms, and a description of the model output.

6.0 Use of a Planning Period.

The Company may choose a planning period for the calculation of incremental costs, consistent with the definition of long run in 2.1. The planning period chosen must be consistent among the incremental cost studies performed for each service or basic network function and among different services or network functions.

7.0 Required Documentation.

The Company shall continue to produce the currently available documentation for all incremental cost studies performed in compliance with these guidelines. In addition, the Company will provide the additional

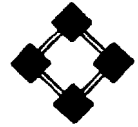
documentation necessary to comply with the requirements as set forth in 4.0, 5.1.2, **5.2.1**, and 5.3, or any other additional documentation requested by the Commission or Staff.

7.1 Treatment of Proprietary Information.

The level of documentation for incremental cost studies performed consistent with these guidelines may require the production of information that the Company asserts to be proprietary or confidential. Complete documentation, including the asserted proprietary information, shall be provided to the Commission, Staff, and intervenors, subject to an acceptable proprietary agreement. The Company may, upon showing of good cause to the Commission, restrict intervenor access to this information to those individuals not responsible for the development, pricing, or marketing of services that are competitive with the service or basic network function in question of the Company.

8.0 Timing of Studies.

Incremental **cost** studies performed in compliance with these guidelines shall be produced annually. The Company may update an **incremental** cost study during the interval between its annual filings based on a change in the assumptions regarding investment or expenses, but it must do so for all services **or basic** network functions affected by the changed assumption **simultaneously**. The **costs associated with equivalent** basic network functions, as described in 4.0, must remain consistent during any interim recalculation of the incremental **cost** for any service.



One-Way Conversion of Payphones Suspected of Being Utilized for Illicit Drug Activities

As previously reported, the PUC on September 27, 1995 adopted an order waiving the provisions of 52 Pa. Code § 63.96 as being **"too cumbersome and time consuming to address the exigent circumstances present in virtually all drug trafficking from coin telephone situations."**

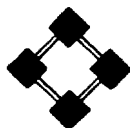
To implement this waiver the PUC has spelled out the procedure to be used for these one way conversions as follows:

- (a) Law enforcement representatives in their official **capacity**.
- (b) Municipal government officials in their official capacity.
- (c) District attorney office representatives in their official **capacity**, and
- (d) Officers of **anti-crime or anti-drug** community groups.

Conversion requests from such entities may be filed in letter form **and must** include the exact location of the coin telephone and the owner and telephone number of the coin telephone if available. These conversion requests must also include a comprehensive description of the basis for the allegation that conversion is required in order to address a drug trafficking situation.

Immediately upon receiving a conversion request which complies with the foregoing, the **BCS** will immediately contact the owner of the telephone and orally authorize, or if necessary direct, immediate conversion of the coin telephone to outgoing service only. The requesting party will also be notified by telephone of the **BCS** action. As soon as possible thereafter, the BCS will document its action through a letter to the owner of the telephone and the requesting party. Following this *ex parte* authorization, the procedures provided for at 52 Pa. Code § 63.96 (relating to posing on the telephone and review of contested conversions) will be followed. The telephone in question will remain one-way during the review process. Overall, the effect of the waiver of normal procedures is to permit the Commission to implement drug trafficking conversions immediately before the procedures included in the regulation are followed, rather than at the conclusion of the regulatory procedures which as indicated previously can be time consuming.

The PUC is continuing to review its one-way conversion regulations.



Bell Files Tariff to Rebalance Rates

On February 7, 1996, **CAPA** Files a Complaint with the PUC against a proposed tariff of **Bell Atlantic - Pennsylvania, Inc.** proposing to rebalance rates.

In support of its complaint, **CAPA** stated:

1. On January 8, 1996, Bell Atlantic-Pennsylvania, Inc. ("Bell") filed tariff changes proposing increases in certain rates for **COCOT** or independent **payphone** providers of **payphone** equipment to the public. More specifically, Bell is proposing to eliminate the per message rate structure in Band 1 and replace it with a \$0.03 per minute of use measured rate structure. The effect of this change will be to increase the cost of a local call to **COCOT** providers to thirty cents (**30¢**).
2. By regulation the Public Utility Commission (Commission) requires that **COCOT** providers offer an **untimed** ten (10) minute local call to users at a rate of twenty-five cents (**25¢**). 52 Pa Code 963.97 (d) and (e).
3. The proposed rate increase in local call Band 1 rates are unjust and unreasonable under Sections **1301**, **1308**, and 3001 of the Public Utility Code in that they result in rates to **COCOTS** in excess of the Commission's permissible charge to end users.
4. Bell's increase in local call Band 1 rates are unduly discriminatory in violation of Sections 1304 and 3001 (2) of the Public Utility Code. The proposed filing is also anticompetitive in that it imposes increases in costs above the Commission imposed permissible charge for that local call, and it does not similarly impose such negative cost recovery on Bell's public payphones. One

of the easiest ways to eliminate competition is for the supplier of service to increase the cost to a competitor above the competitor's allowable charge to the end user, when that competitor must purchase that service from Bell. The General Assembly specifically requires the Commission to encourage, not reduce, competition. Section 3001 (4), (5), (7), and (8).

4. Bell's proposed tariff has been filed pursuant to Section 1308 of the Public Utility Code and is subject to a just and reasonable standard. Thus, while Bell is permitted to file for "revenue neutral" rate changes under its Price Stability Mechanism, the Commission may reject such changes unless they are found to be just and reasonable. Bell's Alternative Regulation Plan at **Part 1 (A) ¶14** and (C) ¶1. Therefore, the Commission is not required to find that Bell's proposed increases in the cost of a local call to **COCOTS** is necessary unless they are found to be just and reasonable.

CAPA requested the Public Utility Commission to:

1. Dismiss the rate filing to the extent that it increases the rate for a local call.
2. In the alternative, suspend the proposed tariff increase in a local call.
3. Schedule **evidentiary** hearings examining the reasonableness of Bell's proposed local call increases.

Pay-phone changes fight crime

By Ryan Konig

Staff writer

Night after night, seedy people swarmed the outdoor pay phones of the Simpson Neighborhood, awaiting their turn to arrange a drug deal.

One phone, near Camelback Road and the Black Canyon Freeway, often had a line of people so long that a woman living nearby had a tough time getting in and out of her driveway.

It was only a matter of time before residents did something about it. Several months ago, Simpson joined a growing list of neighborhoods that are turning to public pay-phone companies for help in their wars against drugs.

Many of the companies agree to help. They program their pay phones so they can't be used to dial pagers or receive calls. That prevents someone from dialing a dealer's pager to arrange a buy.

In the past two years, the west-central neighborhoods of Simpson and Westwood and central Phoenix's Longview West area have had more than 100 pay phones modified.

Police say the trend is fairly new and effective.

"This is something that has been going on for at least the past three to four years," Phoenix Police Sgt. Joe Cherrick said.

"I admit I was skeptical at first. But it is a quick, inexpensive way to solve a problem. And it doesn't prevent people from using the phone for legitimate reasons."

Simpson Neighborhood resident Paul Enniss and others spent months touring the area near Camelback Road and the Black Canyon Freeway and taking a census of nearly 50 pay phones and the companies that own them.

Then, residents contacted the companies. Most were willing to modify their phones.

"I was surprised at how cooperative they were," said Donna Neill, who lives in the Westwood Neighborhood just south of Simpson. "One of the owners, Ray Odom Jr., actually came out and toured our area to see what was going on."

Odom, who owns Payphone Network of Arizona, removed a few of his phones and programmed several others so they can't receive calls or be used to page someone.

"Nobody wants to remove pay phones from an area when it's their livelihood," Odom said. "But you have to look at it from the community's point of view, and find a way where you can work together."

Many pay phones are linked to software, that allows a company to block incoming calls, prevent selected prefixes from being dialed and shut off service during certain hours except for 911 calls, Odom said.

Sometimes, the pay phones are used to identify drug dealers. Some companies provide police with lists of all numbers dialed from a pay phone so officers can see if any one phone number or pager is receiving a suspicious number of calls.

Reducing drug sales isn't the only benefit to modifying pay phones.

The Longview West neighborhood reports that loitering near pay phones has dropped since the neighborhood had 14 phones programmed to block incoming calls, said Shannon Zetich, president of the neighborhood's association.

Longview West covers the area bounded by Indian School and Osborn roads, between Seventh and 12th streets.

The area had a problem with prostitutes using pay phones to page clients and pimps.

"The difference has been tremendous," Zetich said. "You no longer see so many people loitering near the phones, waiting for a call back from a drug dealer or a client."

Other neighborhoods are getting into the act.

Joe Ann Errigo recently walked up and down the streets in her tiny neighborhood near Central and Dunlap avenues.

She was shocked to learn how many companies own pay phones in her area. She compiled a list of 17.

"I never realized that business was so competitive," Errigo said.

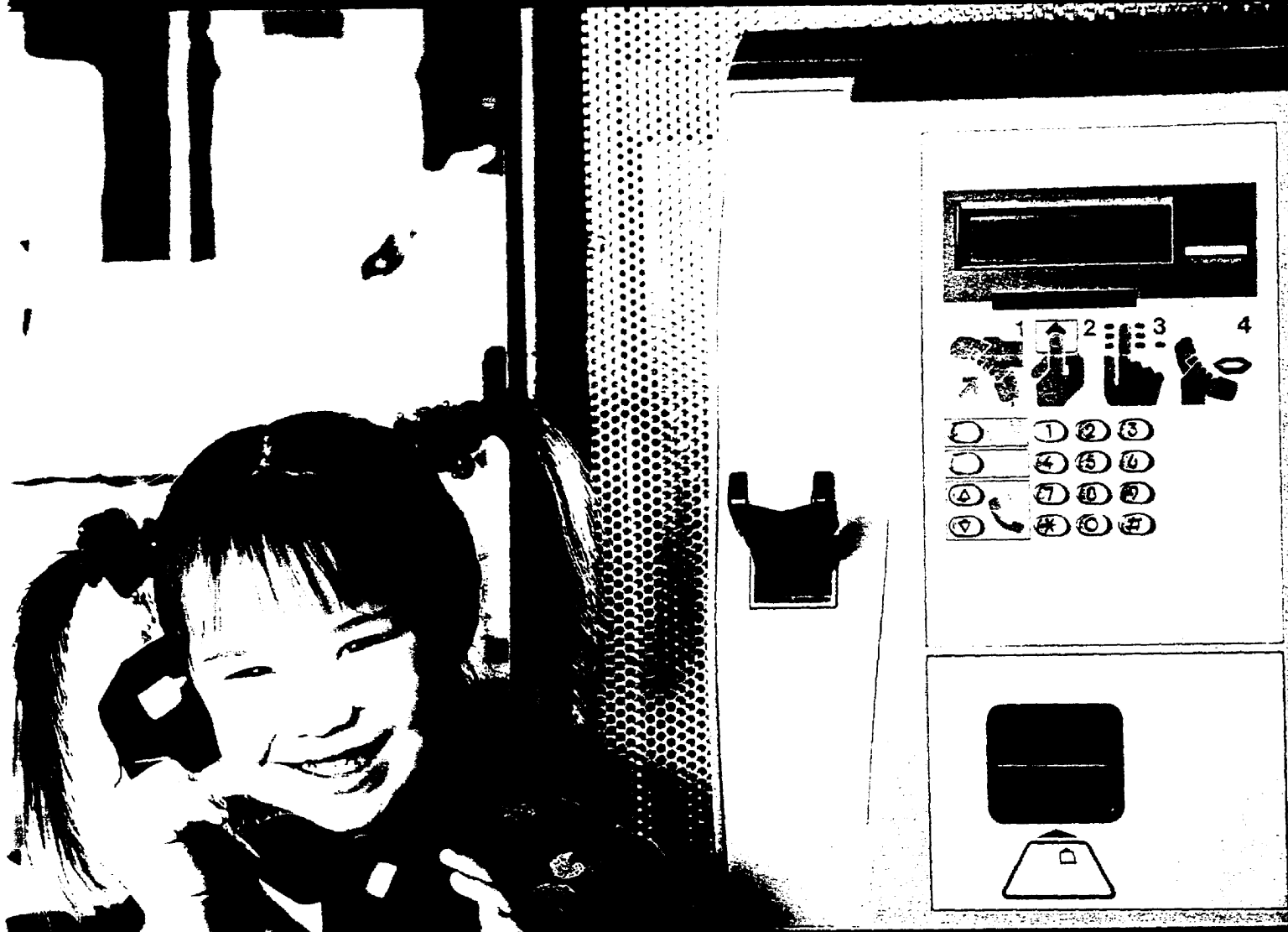
On The

LINE

November/December 1995

The National Publication of the California Payphone Association

\$5.00



California Payphone Association
2610 Crow Canyon Road, Ste. 150
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The nemesis of pay phone thievery

CPA has received many inquiries regarding pay phone theft. Vendors are wondering whether the perpetrators are ever caught and prosecuted. We have compiled a few stories that indicate head way is being made to catch thieves who go after quick change in pay phone coin boxes.

Bud Davy, MPM Marketing, Riverside, CA told *OnTheLine* that he used to have a location at an ARCO gas station, which he sold to the manager. Within the last 60 days, a man pulled up to ARCO pulling a trailer that contained three payphones in it. The man unloaded one of the payphones and began to dismantle the phone that was attached to the booth. By the time he had the phone unbolted and was about to disconnect the electrical, the owner of the ARCO came out and asked the man what he was doing. The man replied that he was replacing the payphone for the owner. He looked legitimate—the replacement phone was there and ready to be inserted. However, the manager of the ARCO station told the man that *he was the owner*. The owner went immediately inside his station to make a call. At this point, the thief drove away from the station, leaving behind both the replacement phone and the phone he didn't completely disconnect.

Before the police were called, the ARCO station manager called Davy and told him what happened. Davy took the number from the extra phone that was left behind and called a Mr. Scott in Corona. Scott told Davy that the phones were stolen three days prior from in front of a Price Club. After picking up his phone, Scott told Davy that the security guard at Price Club had gotten the license plate of the man who stole the phones. This information was turned over to the Corona Police Department.

Exactly one week later, a man with the same description, pulling the same trailer drove into another ARCO station with the same scam. Only this time, he audaciously went into the gas station and requested the location of the breaker box so he could shut off the juice to the phone while he removed it. Not knowing any better, the ARCO station attendant did as

he was obliged to do and the phone was stolen.

Detective Jerry L. Paxton of the Corona Police Department, has identified the thief as Dale Scott Reyone. Reyone is suspected of being responsible for five incidents of phone theft in Riverside County. There is a felony warrant out for Reyone's arrest, but he has not yet been found.

Reyone is a white male, approximately 30 years old, 5'9", 140 lbs, with long stringy brown hair. He drives a faded grey 1979 Chevrolet Malibu in poor condition CA lic. 2BWK725. The Malibu sits low in the back as if its weighted down. The trailer has been located and is not being used any more. It didn't belong to Reyone and the owner was unaware of how it was being used.

Reyone is described as a floater in the Riverside County area and is known for going from motel to motel.

When asked where Reyone might be selling the phone parts, Detective Paxton said that Reyone was just getting into the coin boxes. The phone parts were being discarded in fields and rivers. Ninety nine percent of phone theft is to steal the coin, it would take a sophisticated thief to market and receive monies for the rest of the equipment.

Vendors in the Riverside County area are asked to stay alert to the whereabouts of the suspect who has been working their area for some time. Contact Detective Paxton at (909) 736-2337 or 7X-2360.

Addendum—Bud Davy indicated that he had lost phones to theft before. He lost one in front of the Thrifty Drug Store and found it later discarded in a field. Because the thieves were after the coin, Davy only had to replace the coin box. He indicated that one drawback to having your phone stolen and then catching the thief was that the phone equipment had to be held as evidence until the thief is prosecuted. However, it is worth the sacrifice if the thief gets convicted.

In Colton, CA, *Inland Coin Phones, Inc.* had a theft problem in the early part of January that was resolved because the suspects got arrested on unrelated charges. The location of this phone was at Diane's Restaurant on West Valley Road. Mario

Serrano saw someone tampering with the phone and called the police from a payphone at the AM/PM Market nearby. The suspects were driving a white Nissan pickup with a camper shell.

When the police stopped the suspects, they were arrested for bring in the possession of a loaded weapon and for having drugs. Damage to the phone was estimated at over \$550.

CPA encourages vendors to give us their information regarding phone theft and asks that when we print specific details (such as a suspects description) to be on the look out for the thieves, turning them in whenever possible.



P.A.C.NET

Payphones Against Crime NETWORK

P.A.C.NET is a nonprofit trade association that provides legal, regulatory and legislative representation to IPPs who wish to work together sharing information on payphone crime and fraud. It is also a medium to work directly with local police and politicians whenever there is a problem with a payphone that is being blamed for the element of crime.

Three months ago, Roger Fry, Director of P.A.C.NET and owner of Condor Communications, brainstormed with vendors John Winfield, *Nicom Telemangement* and Steve Greene, *Condor Communications*, because they were having problems getting locations. People were telling Fry they couldn't put phones